

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1873 – SB 1978

March 17, 2014

SUMMARY OF ORIGINAL BILL: Requires a recipient of any FastTrack economic development grant or loan awarded on or after July 1, 2014, to file a report with the Department of Economic and Community Development by February 1 of each year for the duration of the grant or loan, and specifies the type of information that must be included in such a report. Requires the Department to publish all filed reports on its website by April 1 of each year, and to provide all of the data from the reports both in a searchable database and as a spreadsheet that can be downloaded in its entirety. Requires the Department to also provide on its website any determinations as to whether the recipient is meeting the requirements of the grant or loan, any penalties assessed by the Department for failure to meet such requirements, and any non-confidential documents related to the grant or loan. Establishes a \$500 per day penalty for failure to provide the Department with the required report.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$273,400/FY14-15
\$199,000/FY15-16 and Subsequent Years

SUMMARY OF AMENDMENT (014236): Deletes all language after the enacting clause. Requires the Department of Economic and Community Development to publish all baseline and annual reports for any FastTrack economic development grant or loan awarded on or after July 1, 2014, within 90 days of receiving such reports. Specifies the type of information that must be included in such reports. Defines an annual report as a report detailing the number of net new jobs for the reporting period as well as the number of cumulative net new jobs. Defines a baseline report as a report detailing the number of existing employees of an eligible business.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- According to the Department, there are approximately 30 new five-year economic development grants provided each year.

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- Any increase in expenditures to the Department to collect the required information and publish the required reports is estimated to be not significant. Such duties can be accomplished using existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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